

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07
Operating, Capital and Special AllocationsRECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

- 1) Raising the Services & Activities (S&A) Fee level for 2006–07 from \$94 per full-time student per quarter to \$99; and
- 2) Allocating \$10,766,026 for 2006–07 S&A Fee operating, capital and special allocations.

BACKGROUND:

Each year, on the basis of recommendations by the administration and the S&A Fee Committee^{*}, the Board of Regents approves annual S&A Fee allocations for the Seattle campus. Additional allocations may be approved during a given year.

This year, the Committee has asked units to submit two distinct requests for their operations budget and for their capital expenditures, thus each allocation listed below is presented in two parts. Separating capital allocations from operational budgets enables the Committee to better understand ongoing operational commitments and to keep clear records of one-time expenses.

The present recommendations grew out of S&A Fee Committee discussions over the course of the 2005–06 academic year—discussions that included at different times representatives of the units supported by S&A Fee income. The S&A Fee Committee submitted its written recommendations to the Vice President for Student Affairs on May 26, 2006 (Attachment I), which were reviewed and concurred with by the administration shortly thereafter (Attachment II).

^{*} By statute, recommendations of the Committee are determined by the votes of its student members—three and four of whom, respectively, represent the GPSS and the ASUW. The rules call for three administrators and two faculty members to serve on the Committee in nonvoting, advisory roles.

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Services and Activities Fee—University of Washington, Seattle: 2006–07
Operating, Capital and Special Allocations (continued p. 2)

The 2005–06 and recommended 2006–07 distributions of the quarterly S&A Fee are displayed below:

	Full-time	Full-time
	<u>2005–06</u>	<u>2006–07</u>
<u>Fall, Winter & Spring</u>		
Student Publications	\$1.00	\$0
Long Term Loan Fund	\$3.29	\$3.47
Facilities and Programming Account	<u>\$86.71</u>	<u>\$95.53</u>
Total	\$94	\$99
	Full-time	Full-time
	<u>2005–06</u>	<u>2006–07</u>
<u>Summer</u>		
Student Publications	\$0.25	\$0
Long Term Loan Fund	\$3.29	\$3.47
Facilities and Programming Account	<u>\$90.46</u>	<u>\$95.53</u>
Total	\$94	\$99

It is projected that S&A Fee revenues for 2006–07, including interest income, will total \$ 10,141,426. The recommended budget of \$10,766,026 would produce a shortfall of \$624,600.

The 2005–06 and anticipated 2006–07 revenues and expenditures are displayed in Attachment III. The proposed operations and capital budgets for each program and a brief discussion of their rationale are detailed below.

Childcare Assistance Program (Operations) - \$818,244

This budget includes both office operations and subsidies for students. The proposed level of funding, which is unchanged from 2005–06, would enable the office to continue to carry out its various responsibilities and allow students to be supported at similar levels to previous years. The intent is to continue to provide students with stable support as the program transitions into a new period of major structural and policy change. Two of the key alterations to this program will include a shift from a two-person to a single person office, as well as opening up eligibility requirements to part-time students.

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A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07 Operating, Capital and Special Allocations (continued p. 3)

Childcare Assistance Program (Capital) – \$2,000

The recommendation of \$2,000 is intended for the purchase of a new computer for the Childcare Office.

Classroom Support Services (Kane Hall) – \$37,254

The recommended allocation of \$37,254 would support the wages of student staff members who administer the Student Equipment Loan Program that operates under the auspices of the Office of Classroom Support Services. Laptop computers, projectors, digital cameras and recorders are purchased with income from the Student Technology Fee and made available to students without charge. This allocation represents a small increase intended to pay for additional staff during high use periods.

Classroom Support Services (South Campus) - \$28,366

Last year, S&A Fee funds were allocated to support a new Classroom Support Services Student Equipment Loan Program located at the South Campus Health Sciences building. The recommended allocation of \$28,366 will allow this program to continue providing this service to students at the same level.

Counseling Center (Operations) - \$154,423

This allocation represents a major increase to the Counseling Center's proposed budget. This recommendation is based on the tremendous success of a pilot program to eliminate fees for the intake session and the first three visits to the Center. This increase will allow the Counseling Center to hire the staff needed to fully implement their program and provide more mental health support to the student body.

Counseling Center (Capital) - \$5,000

The recommended allocation of \$5,000 is intended for the purchase of an improved reservation system which would help the Counseling Center align itself with current national standards.

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A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07 Operating, Capital and Special Allocations (continued p. 4)

Ethnic Cultural Center and Theatre Complex (Operations) – \$498,316

This proposed operating allocation of \$498,316 is a significant increase over last year's budget, and will cover inflationary adjustments in services and employment, and will cover a shortfall resulting from a decrease in state funding, in order to allow the Ethnic Cultural Center and Theater to maintain the level of its operations. Of this allocation, \$20,000 is recommended for the purpose of a self-assessment to be conducted by the Office of Educational Assessment.

Ethnic Cultural Center and Theatre Complex (Capital) - \$28,300

The capital allocation of \$28,300 is recommended in order to provide a new reservations system for the use of their space by students and other organizations, as well to fund the repair of the murals located in the Ethnic Cultural Center and Theatre building complex.

Hall Health Primary Care Center (Operations) – \$5,583,650

The proposed operating allocation of \$5,583,650, which is unchanged from 2005–06, would allow Hall Health Primary Care Center to sustain its comprehensive array of services for students.

Q Center (Operations) – \$49,250

The recommended funding of \$49,250 is a major increase intended to allow the Center to hire more student assistants to run the Center and provide further programming and campus services as a resource and community center.

Q Center (Capital) - \$4,000

An allocation of \$4,000 is recommended for the purchase of a table and chairs for the Center's conference room, as well as computer furniture and other items meant to improve the utility and comfort of the community center for students.

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A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07 Operating, Capital and Special Allocations (continued p. 5)

Recreational Sports Programs (Operations) – \$1,527,985

The recommended funding of \$1,527,985 would cover the cost of providing services in the IMA Building for the large numbers of students who are participating in sports and fitness activities. This allocation is unchanged from last year's recommendation, as the IMA has been able to cover its increasing operating costs with self-generated revenue.

Recreational Sports Program (Capital) - \$100,000

An allocation of \$100,000 is recommended for the regular capital maintenance of the facilities managed by the department. This is in-line with the standard capital request that was made last year.

S&A Fee Committee (Operations) – \$41,326

The recommended allocation of \$41,326 is intended to provide funding for the clerical support of the Committee, and to pay the salary of a Staff Assistant for up to .75 FTE whose role and capacities may be expanded to provide more advanced support of the Committee's needs, in the event that staff support will not be available from the newly established Office of Student Life. \$2000 of this allocation is recommended for the repurposing of the residual IMA bond fund.

S & A Fee Committee (Capital) - \$2,500

The recommended allocation of \$2500 is intended for the purchase of a laptop computer and appropriate office software for the use of the Committee Staff Assistant.

Student Activities and Union Facilities (Operations) – \$376,515

This proposed allocation would continue to support permanent staff in the Reservations and Event Services Office of the HUB in light of inflationary adjustments and the reorganization of the Student Resource Center.

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A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07 Operating, Capital and Special Allocations (continued p. 6)

SAUF (HUB Study) - \$125,000

The recommendation of \$125,000 is a one-time allocation intended to perform an in-depth study of the Husky Union Building as part of the first step of a long-term capital improvement project. This study will lead to the development of blueprints for a major capital project. The oversight committee working with the consultants on this study will include a student representative from the Services and Activities Fee Committee. The recommendation of further funding of this project will be contingent on a two-year approval process involving multiple generations of S & A Fee Committees.

Student Legal Services (Operations) - \$124,202

The recommended allocation of \$124,202 represents minor inflationary increases to maintain the essential operations of the office and the salaries of its staff.

Student Legal Services (Capital) - \$4800

The capital proposal of \$4800 is a standard annual capital maintenance requirement for the upkeep of the office's computer systems as part of the campus Nebula administration plan.

Student Publications (Operations) - \$197,000

This recommendation of \$197,000 represents a shift from a \$1 per FTE allocation to a straight allocation. \$100,000 of this amount comprises a one-year only allocation for the purpose of hiring a new ad sales manager who is intended to increase the earned revenue of the Daily to the point that the position will become self-sustaining within two years. This allocation is also recommended as part of a budgetary strategy to pay off a sizeable debt that the publication has amassed over several years, and which only recently has become apparent. The understanding behind this recommendation is that the publication's service to students will not be reduced while this debt is being paid off.

Student Publications (Capital) - \$30,000

The recommended allocation of \$30,000 is a contribution to the purchase of new accounting software that is designed specifically for student publication needs.

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A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07 Operating, Capital and Special Allocations (continued p. 7)

This software will replace a current system which is highly defective. This allocation is made with the understanding that next year's payment on this system is to be made from the increase in earnings resulting from the hire of the new ad manager.

ASUW – \$485,470

The recommended allocation of \$485,470 would support the ongoing functions, staff and general operating costs of the ASUW and its various entities. Major issues have come to light regarding the financial state of this entity, including a \$100,000 budgetary shortfall. The ASUW leadership is undertaking major steps to evaluate and remedy the causes of their financial problems. With this understanding, the recommended allocation of \$100,000, in addition to a regular operations budget of \$385,470, is intended to afford the ASUW the time needed to address this situation while maintaining operations at their current level. This recommendation also includes an increase in wages for ASUW employees, which are significantly lower than the wages of comparable positions across campus, and to reform the Office of Government Relations and create several new positions to support the increased technical needs of the organization.

ASUW (Arts & Entertainment) - \$100,962

This recommendation of \$100,962 as a separate allocation represents a change in accounting practices to keep the costs and revenues of A & E events clearly distinguishable from the rest of the operations budget of the ASUW. This funding would provide support for major entertainment events. This recommendation is made with the understanding that excess funds left in the A & E budget at the end of the year are to be returned to the Committee.

GPSS – \$241,463

The recommended allocation of \$241,463 would support the ongoing functions, staff salaries, travel expenses and general operating costs of the organization. This recommendation also reflects an expansion of personnel infrastructure. This would include the introduction of two new staff positions to assist the four GPSS officers with a variety of duties that require a high level of accomplishment, dedication and ability. As a result, the salaries for these positions would be comparable to those of a Research Assistant position.

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A. Academic and Student Affairs Committee

Services and Activities Fee—University of Washington, Seattle: 2006–07 Operating, Capital and Special Allocations (continued p. 8)

Childcare Assistance Program (Special Allocation) - \$200,000

This one-time, mid-year, emergency allocation was recommended as a response to a major accounting error which resulted in a \$200,000 over-award of student subsidies. This allocation would relieve the program of its deficit, thereby enabling future students to receive assistance at the same level as past students. The recommendation is made with the understanding that the program has undertaken new measures of accountability to ensure that a mistake of this magnitude is not made again.

Fee Assessment Level

The total recommendations outlined above represent roughly a \$725,000 increase over last year's allocations. Approximately \$355,000 of this is comprised of one-time allocation requests to come out of the S & A Fee Fund Balance. The Fund Balance currently rests at \$5,963,132, which would be reduced to \$5,338,532 in order to cover the one-time allocation costs and existing operational deficit. The Committee is also recommending operational budget allocations totaling \$10,264,426. This amount is in excess of available revenue, due in part to a series of recently discovered errors in the revenue projection process. The costs of the operational budget request allocations would be partially covered by a \$5 increase to the S & A Fee. A jump of this magnitude is needed to begin the two-year process of remedying an operational shortfall of over \$600,000 inherited from the past year. An operational deficit of \$269,600 would remain, with the intention that next year's Committee will take a similar approach to moderately decrease the deficit without overwhelming S & A Fee funded programs with severe cuts.

Active measures are now being taken by the Committee in collaboration with the Office of the Vice President for Student Affairs and the Office of Budget and Finance to address systemic historical errors in calculating FTE revenue projections. Initial steps towards improving clarity, communication and accuracy in projecting revenues include more frequent monitoring of FTE statistics and a reformulation of the method by which revenue figures are calculated. This Office will take the additional step of annually comparing actual revenues with previous projections so that remedial steps can be taken to correct potential errors or shortfalls inherited from earlier years before they accumulate into major deficits. In addition, this Office will go to greater lengths to educate each year's Committee

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A. Academic and Student Affairs Committee

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members on this matter to assist them in the process of developing their recommendations.

ATTACHMENTS

- I. May 26, 2006 letter to Mr. Eric Godfrey, Acting Vice President for Student Affairs, from Mr. Sean Kellogg, Chair, Services and Activities Fee Committee
- II. May 26, 2006 letter from Mr. Eric Godfrey, Acting Vice President for Student Affairs, to Mr. Sean Kellogg, Chair, Services and Activities Fee Committee
- III. 2005–06 Budget and 2006–07 Services and Activities Fee Revenue and Expense Projections



Services & Activities Fee Committee Committee Recommendation

Approved May 26, 2006

Mr. Eric Godfrey
Acting Vice President of Student Affairs
University of Washington
Schmitz 476
Seattle, Washington 98195

Dear Mr. Godfrey,

On May 12 the Services & Activities Fee Committee met to approve recommendations regarding the collection and allocation of the Services & Activities Fee for the 2006 – 07 academic school year. The Committee met a second time on May 26 to revise those recommendations based on new revenue projections. These recommendations are the work of over 20 weeks of orientations and budget hearings and reflect the deep thought and consideration of the knowledgeable students who comprise the committee. The recommendation breaks down into five components: a change in the allocation type for Student Publications, an allocation amount for each unit submitting a timely application to the committee, a dollar per full time enrollee collection level, revised Guidelines for future committee operations, and a one time mid-year allocation to the Childcare Assistance Program. We believe that should the Regents adopt our recommendations the Fee will be well managed and in a good position to address next year's challenges.

Changes from Previous Year Recommendations

This year's recommendation is different than previous year's recommendations in a few notable ways. For the first time the Committee has insisted that all units list equipment purchases with a life span of greater than a year as a separate capital purchase. This has led to a proliferation in the number of capital allocations as many units who have not previously received a capital allocation will do so into the future. Separating capital allocations allows the committee to better understand ongoing operational commitments while peeling off more discretionary or fluctuating capital needs.

In addition to structural changes, the committee embraced a new fiscal policy with regards to one-time expenditures. Identified one-time requests present a difficult decision for any committee: does one use existing fund balances to cover the cost, keeping the fee low, or raise the fee and keep the fund balances high? This year the committee resolved the question in favor of keep the fee low. Based on the idea that units assume their previous year's allocation is "safe" when requesting for a new year, we presume that any funding which is backed by a direct fee subsidy is also considered "safe." By providing these one-time allocations from the fund balance, the Committee hopes to communicate clearly that future funding is no presumed.

The Committee proposes more than \$300,000 in one-time allocations which are not committed for next year. If we recommend a fee increase to cover those costs, next year's Committee is under no pressure to reevaluate the allocation knowing the funding is already provided. Under the system recommended by the Committee, should units continue to request this funding, thus extending a one-time allocation into a multi-year commitment, the new committee will be forced to increase the fee, cut other funding, or risk depleting the fund balance.

Correcting for Inaccurate Projections

Through close scrutiny of S&A Fee revenue reports, the Committee and OVPSA staff determined that revenue projections have been inaccurate for the past several years. The inaccuracy stems from the use of student headcount instead of FTE count for summer students. During the summer, headcount is often double the FTEs for the quarter, which led to a \$500,000 over-projection of revenue in 2005-2006. Last year's Committee recommended a \$3 fee decrease, based on these over-projections, when in actual fact the Committee should have recommended at least a \$1 fee *increase*.

The discovery of this significant budget shortfall came to the Committee very late in the process forcing us to make difficult decisions with regards to fee increases and budget allocations within a short time span. The Committee set the goal of cutting the operational deficit by 50%, leaving the additional deficit to be addressed by next year's Committee. To meet our goal the Committee recommends an additional \$2 fee increase beyond the initial amount recommended, for a total increase of \$5. We also recommend reducing the allocations of most units by a blanket 1.5% from the recommendation approved on the 10th, excluding the Student Governments, Classroom Support Services (South Campus), and Hall Health Primary Care Center. The Childcare Assistance Program will receive a slightly smaller cut, keeping their allocation the same as last year, and a steeper 6% cut from Student Activities & Union Facilities which represents the elimination of a proposed RSO Web Development program.

We advise next year's Committee to eliminate the remaining deficit through additional allocation cuts and an increase in the fee. With the proper mindset in place, the Committee should be able to acquire the right information from funded units to make targeted cuts with limited impacts on student services.

Student Publications Allocation Method

Last year the Committee recommended the ASUW and GPSS move off a per FTE allocation method to a "lump sum" allocation. This year we recommend the same move for Student Publications. Student Publications has received \$1 per FTE (\$.25 during the summer) for as long as anyone can remember. This method worked well during periods of campus expansion, when increases in student population lead to automatic increases in operating funds. However, since campus growth has stabilized this method has proven more complicated than valuable. The variance in funding from year-to-year, while not large, is risky for organizations seeking to fine tune their budget, while the FTE accounting system poses difficulties for the Committee to fully understand the S&A Fee's financial commitments.

Moving Student Publications to the “lump sum” allocation model allows the Committee to recommend a more fine tuned allocation on a year-to-year basis, provides more reliable budget projections, and increases funding transparency. Following this change the Fee will be paid out to all units in the form of a lump sum, providing an easier understanding of the past and present S&A Fee allocation picture.

Allocations for 2006-07

Childcare Assistance Program (Operations) - \$818,244

Childcare Assistance Program (Capital) - \$2000

The Childcare Assistance Program (CAP) enters a period of transition this year as the new Office of Student Life determines the appropriate location for this valuable program. At the same time, the program adopted new policies managing the awards, appeals, and allocation philosophy. Due to these changes, the Committee considers it unwise to make any substantial increases in allocation until the effects are better understood. The Committee had hoped to recommend an inflationary increase of 3%; however, our subsequent recommendation based on new revenue projections represents a more modest increase.

Classroom Support Services (Kane Hall) - \$37,254

Classroom Support Services (South Campus) - \$28,366

The Committee recommends the continued support of Classroom Support Services' Tech Fee loaner program. Through this program thousands of students are able to access high tech equipment that would be otherwise unavailable for personal and educational projects. This year's allocation reflects a minor increase in Kane Hall support to provide additional staff during high use periods.

Counseling Center (Operations) - \$154,423

Counseling Center (Capital) - \$5,000

The Counseling Center approached the Committee last year with a first time request equal in size to this year's request. The Committee recommended only \$40,000 that year as a one-year pilot program to see how S&A Fee support would impact the program. This year the Counseling Center eliminated fees for the intake session and the first three visits, enabling hundreds of students to use their valuable service. Use statistics collected by the Counseling Center and presented to the Committee show a direct impact to students and reflected wise fiscal stewardship. In response to this outstanding pilot program the Committee proudly recommends their full requested allocation. However, we further recommend the Counseling Center refrain from any increases (beyond necessary inflationary increases) for the next couple of years.

While students support this effort, we also believe the mental health of UW Students ultimately falls to the University and the State. This subsidy should not be seen as an invitation to reduce state support or to cut back on the fight for mental health. The University of Washington falls well below the national average of mental health providers to FTE, a fact which the Committee takes seriously. However, before new funding is made available a number of questions need to be answered: why have we fallen behind, why are other schools higher, is a higher rate appropriate, and what is the level of state support at those schools?

Until the Committee has satisfactory answer to these questions, no further student funding should be made available.

Ethnic Cultural Center/Theatre (Operations) - \$498,316

This year's allocation reflects two distinct increases. The first covers inflationary adjustments in services and employment which the Committee traditionally expects. The second, however, covers a decrease in state funding and presents a concern to the Committee. The S&A Fee represents a way for students to provide funding to student identified needs in conjunction with the University. This partnership is strained when the University reduces funding to entities without first consulting the Committee. It is unclear whether the decrease was due to underperformance of the unit, realignment of University priorities, or reduction in support from the State. Either way, an expectation that the S&A Fee can supplement reduced funding presents a serious challenge to the Committee's relationship with the University.

Although the Committee expresses reservation, we are recommending an additional \$20,000 to be used for an assessment to be conducted by the Office of Educational Assessment. An exhaustive review of needs and operations will enable the ECC, OMA, and the Committee to better judge future funding decisions. If the review proves successful the Committee should consider recommending, and funding, additional reviews for other programs to better determine student needs.

Ethnic Cultural Center/Theatre (Capital) - \$28,300

Capital needs for ECC remain a consistent funding demand. This year funding will replace tables, repair room fixtures, and upgrade theater AV equipment. The Committee took the additional step this year of recommending two items listed, but not specifically requested, on their capital needs list. A new reservations system should allow the ECC to better manage their room space and provide increased services to their direct constituents as well as campus users. We are also recommending funding to repair the distinctive ECC murals. Past years have been unkind to these symbols of campus diversity and the Committee believes strongly that art and aesthetics should not be pushed to 2nd priority status. This dedication prompts us to take the extraordinary step of funding above the requested level.

Hall Health Primary Care Center (Operations) - \$5,583,650

The Committee is recommending no change in funding for Hall Health this year. While the unit continues to grow, the increase funding is derived from user fees, mostly those of non-students. So long as non-student use remains high this model should prove highly successful. After several years of discussions the Committee and Hall Health have arrived at a reasonable reporting mechanism to assist the Committee in assuring student fees are not subsidizing non-student use. Although this process has been long, both sides agree the results are well worth the effort. Provided Hall Health continues the reporting system the Committee should have a relatively easy time of monitoring this critical concern.

We also recognize that Hall Health stands in a period of transition. With a newly hired Director the Committee fully expects alterations in the funding request next year. However, it should be noted that the Committee will act cautiously when altering an allocation of this size.

Any changes should be well researched, justified, and supported with evaluation criteria for future Committees.

Hall Health Primary Care Center (Capital) - \$0

Hall Health requested no capital funds for this year. However, the Committee believes Hall Health is not in line with the Committee's *unstated* capital request policy. During the next year the Committee will consider a formal capital request policy including a clear definition of what is, and is not, a capital expense. At that time Hall Health may have to revise their request breakdown to be compliant.

Q-Center (Operations) - \$49,250

Q-Center (Capital) - \$4,000

The recommendation of \$50,000 is a \$15,000 increase over last year's allocation. This large increase reflects the commitment of students on this campus to identify and address long ignored issues of sexual orientation and gender issues on this campus. A robust Q-Center provides one of the most effective mechanisms to serve this critical campus segment. The vast majority of this increase will allow the Q-Center to hire most assistants to help run the office, freeing the director to develop additional programming and campus services. The \$4,000 in capital will provide funding to equip their empty conference room with chairs and tables, purchase computer furniture, and upgrade the student environment.

Recreational Sports Program (Operations) - \$1,527,985

This allocation reflects a decrease from last year, although the program budgets to spend \$200,000 more than previously. This increase in spending is made possible through a steady increase in earned income since the opening of the new IMA facility. The Committee believes RSP performance in this regard to be admirable and reaffirms our belief that the IMA represents an excellent investment in the campus and the Recreational Sports Program. The Committee made a conscious effort to exclude units which had not requested an increase in allocation during the past year when adjusting for the corrected projections. However, we have included RSP in the but because RSP is one of the more fiscally healthy units with substantial reserve funds. We believe RSP can sustain these cuts better than most and thus included them in our recommended corrective cuts.

Recreational Sports Program (Capital) - \$100,000

The Committee recommends the standard \$100,000 in maintenance funding necessary to keep the RSP facilities functional. The Committee considered a request for an additional \$5 million to replace Denny Field. While the Committee believes the fields are excellent candidates for future capital expenditures, we feel more information is necessary before a funding decision of such magnitude can be made. In the future, capital requests of any more than a million should include options with cost/benefit analysis so that the Committee can gauge the appropriate funding commitment.

Services & Activities Fee Committee (Operations) - \$41,326

Services & Activities Fee Committee (Capital) - \$2,500

For the past several years the Committee's support staff came from excess staff capacity in the Childcare office. However, the impending reorganization will reduce the office from two employees to one, thereby eliminating that excess capacity. While the Committee is hopeful that the further reorganization of the Office of the Vice President of Student Affairs into the Office of the Vice Provost of Student Life may yield additional support capacity, the uncertainty prompts the Committee to provide funding for a staff position during the upcoming year. Our recommendation also includes the \$2000 necessary to repurpose the residual IMA bond fund. Capital funding is designate to purchase a new laptop and appropriate office software.

Student Activities & Union Facilities (Operations) - \$376,515

Student Activities & Union Facilities (Capital) - \$0

Our recommendation for Student Activities & Union Facilities (SAUF) is primarily inflationary adjustments or relate to reorganization of the Student Resource Center. The Committee also identified a promising new pilot program offering web services to Registered Student Organizations. Recent surveys of RSO websites have shown that while many student organizations put on amazing cultural and social events they often lack the technical expertise necessary to advertise them online. This new service would provide base level support to those RSOs in need. However, due to the budget shortfall the Committee is not recommending funding for the pilot at this time.

Student Activities & Union Facilities (HUB Study) - \$125,000

The Committee is recommending a sizable one-time allocation to SAUF to perform a HUB study as part of a first step in a large capital project. The study will allow SAUF to bring in outside consultants to meet with the University community to develop a comprehensive plan for the future of the Husky Union Building. The Committee understands that the resulting report will eventually lead to blueprints for a major capital improvement project. In 1998 the students agreed to assume a financial burden with the IMA renovation project. Now, almost 10 years later, the students are prepared to take the first steps in taking on another financial commitment. However, the funding of this initial study is by no means a signal that funding for the actual project will be available. Undertaking a project of this size and committing a generation of students to increased fees is a decision no Committee should take likely.

With that clear understanding, the Committee is directing SAUF to organize an oversight committee which will work directly with the consultants in generating the report. This oversight committee shall be different than a larger steering committee with a more broad-based representative membership. Further, the Committee will have a representative on this oversight committee to ensure the financial impacts of the design decisions are properly reported to the Committee. Previous experience with capital projects suggest to the Committee that the development of a proposal is often more important that the approval of that proposal, and thus we insist the Committee have a substantive role. As a final point, when the University is prepared to come forward with a capital request for the HUB it should expect a two year process for approval involving multiple S&A Fee Committees and the student governments. Only with full disclosure, careful deliberation, and substantive student involvement will this Committee commit future generations of students to large financial burdens.

Student Legal Services (Operations) - \$124,202
Student Legal Services (Capital) - \$4,800

Since Student Legal Services moved into the HUB the unit has seen a remarkable revitalization, an uptake in use, and a new professional work space. This year the unit requested only minor inflationary increases which the Committee recommends fully funding. The modest capital request assists the unit with keeping computer systems up-to-date in compliance with the campus Nebula administration plan.

Student Publications (Operations) - \$197,000

The Committee recommends a lump sum allocation of \$197,000 to student publications with the understanding that \$97,000 of that funding is made for a one-year basis to pay for the hiring of a new ad sales manager. The Committee expressed great excitement with the direction of the new Publisher and wishes to make every resource available in her efforts to revitalize our campus newspaper. A successful ad manager should substantially increase the earned revenue of the Daily and eventually “pay for itself.”

Should the position prove successful it is our expectation that Student Publications will return to the Committee with a new proposal on how it will spend its allocation. It should not expect that this funding can be shifted to other endeavors not reviewed by the Committee. We understand Student Publications is interested in expanding into new areas, and while we remain optimistic with regards to these efforts, we believe that any new use of student fees must first be reviewed and evaluated.

However, should the position prove a failure and bring in less than the allocation provided by the Committee, Student Publications should expect the position to be cut. To assist in making this determination Student Publications should keep careful records of ad sales from month to month in comparison to previous year’s sales. If there is noticeable increase suggesting the position will eventually be revenue-positive, support for the next year will be forthcoming. If it is unlikely the position will become self-sustaining after two years, the position will need to be terminated.

As a final point, the Committee notes with concern that Student Publications has amassed a sizable debt over the past few years. The budget presented to the Committee expects to pay that debt off but also expects over \$100,000 in new revenue from outside sources. The Committee expects that student funding will not be used to cover Student Publication debts. Any decrease in budgeted expenditures will be considered a reduction in service which should not occur in a year when student support is increased. If Student Publications is unable to repay its debts in the next few years the Committee may have to recommend appropriate budget cuts.

Student Publications (Capital) - \$30,000

Student Publications requests \$30,000 for a first of two payments to purchase new accounting software. The current software has proven unworkable and is not up to industry standards. The Committee was informed, and now expects, that next year’s payment will come from Student Publication’s increased earnings resulting from the new ad manager.

Associated Students of the University of Washington (Operations) - \$485,570

This year the ASUW will undertake several new steps to bring its financial future into order. Due to a number of converging factors the ASUW budget for 2005-06 faces a \$100,000 shortfall. The Committee is recommending a one-time allocation for 2006-07 to provide ASUW time to determine its budget priorities and fix entities which have been posting substantial losses. The \$100,000 combines with a committed \$385,570 to form the full \$485,570 allocation. Our recommendation also includes committed increases necessary to raise wages, which have been under funded for sometime in comparison to other campus employment options, reform the Office of Government Relations, and create several new positions design to increase the technical capacity of the organization. The ASUW is also launching several new pilot projects funded by its own existing fund balance. The Committee supports this approach; however, the ASUW must conduct a follow up review of the programs before this Committee will provide dedicated support.

During this next year the Committee has instructed the ASUW to perform three tasks related to their budget. First, an outside review involving student experts to evaluate the Bike Shop and Experimental College. These entities have run consistent deficits for the past several years accumulating sizable debts. This review should consider all options including seeking S&A Fee subsidies or simply terminating the service. Second, the ASUW should develop a method to better train their Finance & Budget Director to understand a half million dollar budget. Possible solutions include hiring an Assistant Finance & Budget Director who would be promoted to the full director at the end of their first year, thereby providing greater continuity and training opportunities. Third, the ASUW will propose an amendment to their constitution outlying the manner in which new ASUW entities are created. Currently the ASUW creates new organizations with little forethought and almost now subsequent review. The result is a continually growing enterprise that threatens to become unmanageable in size. This amendment will need to be negotiated between next year's Committee and the ASUW, but should contain provisions for initial creation, internal ASUW funding for a year's pilot program, and subsequent review all prior to the request for permanent S&A Fee funding.

These recommendations come after negotiations with the current ASWU President and have been clearly communicated to the newly elected ASUW Board of Directors. Should these steps not be taken, the Committee will withhold any additional funding beyond the \$385,570 in operating funding provided this year.

Associated Students of the University of Washington (Arts & Entertainment) - \$100,962

Two years ago the ASUW launched a new imitative with Arts & Entertainment, bringing big artists to campus by use of their existing fund balance. These decisions are risky, as big campus events have the potential of depleting much of the ASUW reserves. The Committee has no interest in discouraging the ASUW from its efforts; however, the assumed risk must be fully understood. To that end, the Committee will begin allocating A&E money separately from the ASUW operating funds and directs the ASUW to keep these funds separate.

In conjunction with this bookkeeping change, the ASUW should undertake a review of their A&E programming to develop a consistent business plan. This plan should help alleviate the large swings in campus programming seen from year to year. It is unacceptable for ASUW to expect students to foot the bill when a show is unsuccessful while reaping the financial

rewards of a successful show. In the long term, it may become necessary for the Committee to require excess funds left in the A&E budget to be returned on an annual basis like other S&A Fee funded units.

Graduate & Professional Student Senate (Operations) - \$241,463

The GPSS requested a substantial increase this year in their personnel infrastructure. Two new positions reflect a first time investment in future oriented positions. These individuals will assist the four GPSS officers to look at issues in the near and distant future, helping coordinate graduate program review, the campus wide student survey, and conducting top notch research. To assure this work is of the highest quality, the GPSS has requested funding commiserate with an RA funded position. The Committee recommends the full funding of the GPSS request. The GPSS is also launching several new pilot projects funded by its own existing fund balance. The Committee supports this approach; however, the GPSS must conduct a follow up review of the programs before this Committee will provide dedicated support.

Fee Assessment Level

The increases recommended by the Committee represent a roughly \$725,000 increase over last year's allocations. \$355,000 is in the form of one-time allocations which the Committee recommends be paid out of the Fee's existing fund balance. Another \$269,600 represents operational deficits which the Committee recommends be covered by the fund balance. To cover the additional allocations the Committee recommends increasing the Fee by \$5, from \$94 to \$99. This increase, coupled with an increase in full time enrollment numbers, is projected to generate an additional \$748,434 in revenue. Taken altogether, the Committee's recommendation cuts the operational deficit by \$342,854 and represents a significant first step in correcting previous accounting errors.

This correction comes at a heavy cost to students. At no time in history has the fee ever increased more than \$3 per year. However, the Committee recommends this level as an extraordinary response to extraordinary budgetary circumstances.

Revised Guidelines

The Committee recommends the adoption of new operating Guidelines within the statutory framework laid out in RCW 28B.15.045. The revised Guidelines are the product of a quarter's research and reflection of Committee members, funded units, student governments, advisors, and the Administration. During the past few years the Committee has informally adopted several new procedures, policies, and norms which vastly improve the recommendation process. The proposed guidelines bring the Fee's governing documents into line with these actual operating procedures and provides a clear road map to future Committees during periods of high turnover.

Mid-Year Allocation

The Committee recommends a one-time allocation of \$200,000 for the Childcare Assistance Program in addition to the allocation designated for 2006-07. At the start of the 2005-06 academic year the Childcare Assistance Program approached the Committee with a sizable

accounting error. The mistake resulted in the over-awarding of childcare assistance to students enrolled during 2005-06 academic year of approximately \$200,000. The CAP presented a plan to recover the loss by reducing awards over a three year period and institution of new protocols to ensure no further mistakes were made. The Committee appreciated the proposal and fully agreed with the new protocols; however, we disagreed with the reduction in awards. While the accounting mistake of this size is inexcusable, the Committee felt the kind of mistake where students are over-served in the past is hardly one whose response should be under-serving future students. The Committee recommendation of a \$200,000 mid-year allocation allows the CAP to continue its current level of support without carrying a substantial operating debt.

Closing Comments

The Committee believes if these recommendations are adopted the Fee will be well situated to tackle the remaining operating deficit. At the same time, this year's allocations represent a substantial expansion in services to students. From a new commitment to mental health services to a first step towards a revamped HUB, this year's recommendations seek to address a number of pressing issues. We believe this funding, combined with the unique talents of the unit directors and staff, ensures a successful year in student services and activities.

Sincerely,

Sean Kellogg
Services & Activities Fee Committee Chair



UNIVERSITY OF WASHINGTON

OFFICE OF THE VICE PRESIDENT FOR STUDENT AFFAIRS

May 26, 2006

Mr. Sean Kellogg
Chair
Services and Activities
Fee Committee
Box 352238

Dear Sean,

Thank you for your letter of May 26, 2006 providing the details of the \$10,766,026 total allocations proposed by the Services and Activities Fee (S&A Fee) Committee for 2006 – 07. Of particular note, the proposal calls for a \$5 increase in the quarterly S&A Fee, from \$94 per full-time student to \$99. Considering this proposal in the context of fee adjustments over the last five years, the average annual adjustment has been \$1 during this period.

The Committee and this office recently became aware of the fact that the projected fee revenues for 2005 – 06 were calculated incorrectly and overstated the funds that would be available for this year. This created an estimated \$612,000 deficit in the operating and capital budget. (We believe that the projections have been miscalculated over time, but until this year it had not come to light and had not been an issue as annual revenues routinely exceeded expenditures.) This deficit is regrettable and I appreciate the Committee's efforts to address the issue by developing a strategy to eliminate it over a two year period. I agree with this approach as it will minimize the impact on units and programs receiving S&A Fee support. As we move forward, additional internal controls will be put in place to ensure that a circumstance like this does not occur again.

Overall, the Committee's recommended allocations are thoughtful and fair. I am especially pleased with the Committee's decision to increase support for the Counseling Center, its commitment to enhancing support for the Ethnic Cultural Center, and its decision to make a one-time capital allocation to Student Activities and Union Facilities which will enable us to initiate a scoping study for a possible major renovation of the HUB.

After careful review, the administration concurs in the recommendations. The budget will be presented to the Board of Regents for its consideration and action at its meeting of June 8, information on which will be communicated to you in the near future. I hope you will be able to attend the meeting.

Mr. Sean Kellogg
May 26, 2006
Page Two

Your leadership has been greatly appreciated.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Eric S. Godfrey". The signature is written in a cursive, flowing style.

Eric S. Godfrey
Acting Vice President

ESG:ajm

cc: Provost Phyllis M. Wise w/enclosure
Members of the Services and
Activities Fee Committee
Ms. Sarah Bakker w/enclosure
Mr. Lee M. Dunbar w/enclosure
Ms. Kimberly Friese w/enclosure
Ms. Darlene Feikema w/enclosure
Mr. Adam C. Grupp w/enclosure
Mr. Cullen White w/enclosure

	05-06 Allocation	06-07 Request	06-07 Recommend	05-06 v. 06-07 Inc/(Dec) Recommend	Dollar Inc/(Dec) Request v. Recommend
REVENUE					
S & A Fee	9,647,378	10,306,328	10,306,328		
Less loan fund contribution (3.5%)	(337,658)	(360,721)	(360,721)		
Student Publications	(97,051)	0	0		
Interest	180,324	195,820	195,820		
Total Available Revenue	\$9,392,993	\$10,141,426	\$10,141,426		
OPERATIONS					
ASUW	473,990	503,755	485,470	11,480	(18,285)
ASUW (Arts & Entertainment)		100,962	100,962	100,962	0
Childcare	818,244	959,962	818,244	0	(141,718)
Classroom Support Services (Kane Hall)	28,366	37,821	37,254	8,888	(567)
Classroom Support Services (South Campus)	28,366	28,366	28,366	0	0
Counseling Center	40,000	164,775	154,423	114,423	(10,352)
Ethnic Cultural Center/Theatre	477,944	505,905	498,316	20,372	(7,589)
GPSS	217,049	240,022	241,463	24,414	1,441
Health Center	5,583,650	5,583,650	5,583,650	0	0
Q-Center	35,000	50,000	49,250	14,250	(750)
Recreational Sports	1,607,880	1,551,254	1,527,985	(79,895)	(23,269)
RUCKUS	4,925			(4,925)	0
SAFC Operations	10,236	43,655	41,326	31,090	(2,329)
Student Activities and Union	369,530	404,888	376,515	6,985	(28,373)
Student Legal Services	130,864	126,093	124,202	(6,662)	(1,891)
Student Publications		200,000	197,000	197,000	(3,000)
Total Operations	\$9,826,044	\$10,501,108	\$10,264,426	\$438,382	(\$236,682)
CAPITAL					
Childcare		2,000	2,000	2,000	0
Counseling Center		8,000	5,000	5,000	(3,000)
Ethnic Cultural Center/Theatre	44,602	14,400	28,300	(16,302)	13,900
Health Center	30,000			(30,000)	0
Q-Center		10,000	4,000	4,000	(6,000)
Recreational Sports	100,000	100,000	100,000	0	0
SAFC Operations		2,000	2,500	2,500	500
Student Legal Services	4,800	4,800	4,800	0	0
Total Capital	\$179,402	\$141,200	\$146,600	(\$32,802)	\$5,400
ONETIME ALLOCATIONS					
ASUW Night Ride (Seed Money)	34,820			(34,820)	0
Student Publications (Accounting Software)		30,000	30,000	30,000	0
Student Activities and Union (WebDev Computers)		12,240	0	0	(12,240)
Student Activities and Union (HUB Study)		125,000	125,000	125,000	0
Childcare (Special Allocation)		200,000	200,000	200,000	0
Total Onetime Allocations	\$34,820	\$367,240	\$355,000	\$320,180	(\$12,240)
Total Available Revenue	\$9,392,993	\$10,141,426	\$10,141,426	748,434	0
Total Operations	9,826,044	10,501,108	10,264,426	438,382	(236,682)
Total Capital	179,402	141,200	146,600	(32,802)	5,400
Total Onetime Allocations	34,820	367,240	355,000	320,180	(12,240)
Total Recommended Allocation	10,040,266	11,009,548	10,766,026	725,760	(243,522)
Total Surplus/(Deficit)	(\$647,273)	(\$868,122)	(\$624,600)		
Operations and Capital Deficit	(612,453)	(500,882)	(269,600)		
Fund Balance Beg/Yr	6,610,405	5,963,132	5,963,132		
Fund Balance End/Yr	5,963,132	5,095,010	5,338,532		